

December 31, 1946

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MEMORANDUM FOR MR. EDGAR:

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Subject: Annual Report - ICAPS.

1. In line with the general reorganization of the Central Intelligence Group effected by General Vandenberg and again in pursuance of the policy of replacing committee action by direct executive action, the Interdepartmental Coordinating and Planning Staff was created in July 1946. This staff was intended to take over the functions of the former Central Planning Staff but in addition and more important was given operational staff authority under the Director to plan the coordination of intelligence activities between the government agencies and CIG and to plan and prepare for the Director policies and procedures for the improvement of intelligence activities both without and within the CIG. The structure of the staff was based upon equal representation thereon of senior officials from each intelligence agency who should not only be aware of departmental problems but who could also maintain close and continuous liaison therewith. In addition, ICAPS was charged with overall personnel and organizational management of the CIG which was then carried out by the Executive for Personnel and Administration.

2. Projects completed and in operation. During the six months period since activation, ICAPS has instituted, planned and completed the following projects, which are now in operation:

a. Exploitation of American Business Concerns and Establishment of Central Contact Register:

This plan to fully exploit business concerns, non-governmental groups and individuals who through their connections and visits abroad are a valuable source of intelligence has been completed and is in operation as the Contact Branch of the Office of Operations. (CIG Directive No. 15, dated 1 October 1946.)

b. Centralization of Exploitation of Japanese Documents:

The exploitation of Japanese Documents has been a joint Army-Navy project known as the Washington Document Center, which through budgetary and personnel cuts could not be continued by the departments. Arrangements were completed, at the request of the agencies, to centralize this activity in CIG for the continued exploitation of this valuable source of intelligence on the Far East and Siberia. Accordingly, on 1 December the Washington Document Center was taken over by CIG and became the Document Branch of the Office of Operations, which resulted in a budgetary saving not only to each department but to the government as a whole. In addition, the Document Branch of the Office of Operations can be used to form a nucleus for the further centralization of the exploitation of other foreign documents which are widely scattered and in the exploitation of which no single department can efficiently continue to operate.

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c. Coordination of Biographic Data:

There existed a serious and unnecessary duplication in the reporting from the field of biographic data and in maintenance of this intelligence information in home offices. A plan was prepared and now has been published (CIG Directive No. 16, dated 1 November 1946), which allocates definite responsibilities to reporting agents in the field, provides for coordination of this reporting of foreign posts, and for its transmission to the proper home offices. This plan permits the continuation of complete coverage on biographic data in the home offices as a whole despite serious personnel cuts within each agency. In addition, a plan has been approved and initial action has been taken by CIG for the establishment within CIG of a Central Biographic Reference Index File which eventually will contain basic factual data on all important personalities on which files are kept in Washington. This card file will indicate to researchers the location of the complete dossiers as well.

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e. Establishment of Intelligence-Operations relationship with State-War-Navy Coordinating Committee:

A plan was prepared and is in operation which establishes a close working relationship for intelligence purposes between the CIG and SWNCC. This plan allows the CIG to render all possible assistance to SWNCC in matters pertaining to National Intelligence and fills a serious gap which had existed in that this interdepartmental body formerly had no intelligence agency operating at the same level, available to it.

f. Provision for Coverage of Foreign Language Press:

There existed an urgent need for the definite allocation of responsibility for coverage of the foreign language press in the United States. Several agencies were attempting this task with little success and considerable duplication of effort. A plan was prepared whereby responsibility for this operation was allotted to the Department of State and the intelligence derived therefrom distributed as coordinated by the CIG. Again, this plan provided increased efficiency at lower budgetary costs.

g. Provision for Coordinating Acquisition of Foreign Publications:

In the realization that all government intelligence agencies must maintain an interest in the intelligence material contained in foreign publications, a plan was prepared which provides for the establishment of an interdepartmental committee which coordinates the

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cooperative acquisition of these publications among all government departments and agencies. This plan is to insure the rapid interchange and loan of such materials, distribution of bibliographical information, and the necessary security measures for intelligence information related to the National Security.

h. Plan for Coordination of Collection:

There existed a need for the better coordination of collection activities of the departmental agencies not only in the field but in the reporting from the field to the various home offices. A plan has been prepared and is in process of implementation which coordinates reporting at foreign posts, eliminates unnecessary duplication, and makes maximum utilization of all field agents in the collection spheres in which they are of most value.

i. Establishment of National Intelligence Requirements:

In considering the responsibilities given to the Director of Central Intelligence by the NIA, it became evident that there was an urgent need to establish the National Intelligence Requirements on various geographic areas which would produce the current intelligence necessary for National Security. It was decided that the CIG and interagency procedures necessary to establish NIR could best be determined by selecting one particular area (i.e. China) and producing NIR thereon. Accordingly, NIR-China has been prepared and been concurred in for the NIA by the IAB. While its publication is awaiting final departmental approval of the implementing collection directive, the production of NIR on this area has permitted CIG to establish a definite workable procedure which can soon be applied to the other areas of the world which are of priority intelligence interest. Without such a procedure, there formerly existed no method by which all intelligence activity could be "pointed up" to National Policy and Strategic Intelligence.

j. Closer Inter-departmental Intelligence Relationship:

Before discussion of projects not yet in operation or completed, it is important to point out that a very concrete accomplishment of ICAPS has been the drawing together of "opposite numbers" in all the governmental intelligence agencies in a series of roundtable discussions. As a result, there has been produced an intimate relationship between the many officials engaged in all types of intelligence activities which has immeasurably improved cooperation and understanding, and which has had and will continue to have a highly salubrious effect on intelligence within the government as a whole.

k. Other completed accomplishments of ICAPS:

There have been other accomplishments effected by ICAPS which are worthy of at least brief mention and which further the coordination of intelligence within the government. Among these are:

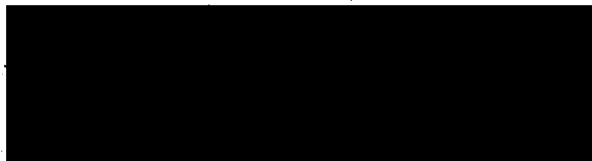
- (1) Provision for disposition of the valuable USBS3 files in the National Archives with adequate security protection through CIG.

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(2) Provision for procedures in clearance of Intelligence Estimates submitted to the President to insure either complete departmental agreement or the inclusion of dissenting opinions to allow final evaluation in accordance with Intelligence Doctrine.

(3) CIG representation on various committees of government agencies to insure that adequate national intelligence needs are met. Some of these committees are:



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3. Projects Completed but awaiting final approval:

a. Plan for Production of Intelligence on Foreign Industrial Establishments:

This plan, designed to accelerate the production of intelligence on foreign industrial establishments, by positive action of "flying squads" of expert researchers has been completed and is awaiting only minor revision to meet the needs of one agency.

b. Coordinated Collection Directive to implement NIR-China:

This directive which consists of a mutually agreed upon allocation of collection responsibilities to produce the NIR-China has been agreed upon by representatives of all departments and CIG and is awaiting final clearance by two members of the IAB.

c. MIC-CIG relationship:

d. SAB-CIG relationship:

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4. Projects now nearing completion:

a. Plan for Program for Coordination of Intelligence Production:

A plan for complete program for the coordination of intelligence production between and among CIG and the departmental agencies is in final draft form as prepared by ICAPS and awaiting submission to an ad hoc committee of the IAB. This plan is based upon allocation of production responsibilities in accordance with both the capability of each agency and its own departmental mission.

5. Projects now in planning stages:

a. Plan for Coordination of Dissemination:

Under ICAPS guidance, a study has been prepared by OGD for a program to improve dissemination of intelligence in and between CIG and the agencies. This study envisions a gradual approach involving standardization of terms, methods and reproduction facilities.

b. Study of Captured German Documents:

A study is now in process at the request of the Intelligence Division, WD, as to the advisability of the centralization within the Document Branch of the Office of Operations of the exploitation of non-technical German documents now at the GWDG, War Department, and being exploited by the Special Document Section, Intelligence Division, WDGS.

c. Liaison between CIG and IAB Intelligence Agencies:

A CIG Ops Memo is in final draft form outlining the liaison authorized to CIG officials with the IAB intelligence agencies. This Ops. Memo is intended to clarify for CIG personnel and the departments the desired liaison status and to prevent the confusion resulting to all from overlapping and unnecessary liaison contacts.

d. Liaison between CIG and departments and agencies of the government not represented on the IAB:

It is a duty of the CIG to both provide appropriate intelligence information to all government departments and agencies and to use these departments and agencies as a source of intelligence information. ICAPS is charged with liaison in this respect but must further provide a plan for working liaison between CIG and departmental operating offices. A plan is in process whereby all such departments and agencies will be asked to provide a security approved official who will serve as a liaison contact for CIG personnel. Thereafter, contacts which are approved by ICAPS will be arranged by CIG offices through the designated official.

NOTE: This is frank and probably should go no farther than the DCI.

6. Difficulties encountered by ICAPS:

a. Many difficulties have been encountered by ICAPS in effecting the plans and coordination that have been accomplished to date. These

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difficulties can be attributed to the following causes:

(1) Initially, the lack of understanding of each others problems by departmental agencies. (As mentioned above, this has now largely been eradicated.)

(2) The need for the regular establishment of CIG by Act of Congress with a clear definition of its mission and the relief from responsibility of such mission of departmental agencies. The uncertainty now existing causes departmental agencies to very properly fear to turn over tasks to CIG which are susceptible of centralization but which are of great importance and must be assured of continuous execution.


(3) To speak frankly, the lack of vision in certain subordinate officials, who fear the assumption of tasks by CIG and the elimination of duplication will endanger their own position.

(4) The fear of service departmental agencies to turn over intelligence activities of great operational concern to them to a quasi-civilian organization.

(5) The failure of IAB members to properly acquaint their representatives with their own policies before sending them to CIG meetings. In turn, the seeming failure of the representatives to properly brief their intelligence chiefs on matters discussed at meetings and the underlying purpose of the discussions.

(6) Frequent changes in announced policy of IAB members as expressed at meetings and as governing their concurrence in CIG papers.

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